

TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

DUE ON OR BEFORE	
[FOID]	YOUR ACCOUNT NO.

BOARD OF EQUALIZATION
EXCISE TAXES AND FEES DIVISION
P O BOX 942879
SACRAMENTO CA 94279-6069

BOARD USE ONLY		
RA-B/A	AUD	REG
RR-QS	FILE	REF
EFF		

**READ INSTRUCTIONS
BEFORE PREPARING**

GENERAL

The State Board of Equalization administers the California Cigarette and Tobacco Products Surtax Law. This law imposes a tax upon the distribution of tobacco products based on the wholesale cost of these products. The rate is determined annually by the Board and is equivalent to the combined rate of tax imposed on cigarettes.

FILING REQUIREMENTS

Every person who distributes tobacco products in this state must file this tax return on or before the 25th day of the month following the month for which the tax is due. The tax return must be filed even though there were no distributions during the period covered by the return. The return must be accompanied by a remittance payable to the State Board of Equalization for the amount of any tax due.

TOBACCO PRODUCTS TAX LIABILITY

1. Wholesale cost of all tobacco products distributed	1.	\$	
EXEMPT DISTRIBUTIONS (see instructions)			
2. Interstate or foreign commerce	2.		\$
3. Interstate or foreign passenger common carriers	3.		\$
4. Other exemptions (see instructions)	4.		\$
5. Credit on returned tobacco products where tax was reported in a prior reporting period	5.		\$
6. Total exempt distributions <i>(add lines 2 thru 5)</i>	6.	\$	
7. Taxable distributions <i>(line 1 minus line 6)</i>	7.	\$	
8. Tax rate	8.		
9. Total amount of tax due for tobacco products <i>(multiply line 7 by line 8)</i>	9.	\$	
10. Penalty <i>[multiply line 9 by 10% (.10) if payment is made after due date shown above]</i>	PENALTY 10.	\$	
11. INTEREST: One month's interest is due on tax for each month or fraction of a month that payment is delayed after the due date. The adjusted monthly interest rate is	INTEREST 11.	\$	
12. TOTAL AMOUNT DUE AND PAYABLE <i>(add lines 9, 10 and 11)</i>	12.	\$	

I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

YOUR SIGNATURE AND TITLE	TELEPHONE NUMBER	DATE
--------------------------	------------------	------



TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

DEFINITIONS

Tobacco Products include, but are not limited to, all forms of cigars, smoking tobacco, chewing tobacco, snuff, and any other articles or products made of, or containing at least 50% (.50) tobacco; but does not include cigarettes.

Distribution includes the sale of untaxed tobacco products in this state, the use or consumption, including samples, of untaxed tobacco products in this state, or the placing of untaxed tobacco products in a vending machine or in retail stock for the purpose of selling the tobacco products to consumers.

Distributor includes every person who makes a "distribution" of tobacco products, or who sells or accepts orders for tobacco products that are to be transported from outside California to a consumer within California.

Imposition of Tax. Every distributor must pay tax upon the distribution of untaxed tobacco products in this state.

Untaxed Tobacco Products means either tobacco products that have not yet been distributed in a manner that results in tax liability or tobacco products that have been distributed and returned to the distributor after payment of tax and for which the distributor has claimed a deduction (Revenue & Taxation Code section 30123(c)) or a refund or credit pursuant to Revenue & Taxation Code section 30176.2 or 30178.2.

Wholesale Cost means the cost of tobacco products to the distributor, including the dollar value of samples, and the dollar value of any manufacturer's discounts or trade allowances. If you are a distributor/retailer manufacturing tobacco product(s), the wholesale cost must include not only the cost of raw materials, but also the cost of labor, overhead attributable to the manufacture of the tobacco product(s), and wholesale markup.

PREPARATION OF SCHEDULE E (See Instructions for line 4)

Original Importer Exempt Tobacco Distributions. In Column 1, enter the name, address and license number of the California distributor to whom you sold tobacco products manufactured outside the U.S. and for which you were the original importer into California. In Column 2, enter the date the imported tobacco products were distributed. In Column 3, enter the invoice number that pertains to the distribution of the tobacco product(s). In Column 4, enter the wholesale cost of the imported tobacco products distributed to the licensed California distributor.

1. NAME, ADDRESS, AND LICENSE NO. OF CALIFORNIA LICENSED DISTRIBUTOR	2. DATE OF DISTRIBUTION	3. INVOICE NUMBER	4. WHOLESALE COST OF TOBACCO PRODUCTS DISTRIBUTED
1.			
2.			
3.			
4.			
5.			
6.			

Attach additional pages if necessary. Make a copy for your records.

INSTRUCTIONS - TOBACCO PRODUCTS DISTRIBUTOR TAX RETURN

PREPARATION OF RETURN

Line 1. Wholesale Cost of All tobacco Products Distributed. Enter the wholesale cost, as defined, of untaxed tobacco products that you distributed. Do not include the wholesale cost of tobacco products that were returned to you by a customer during the same month covered by this return when you refund the entire amount the customer paid for the tobacco products either in cash or credit. Refund or credit of the entire amount shall be deemed to be given when the purchase price, less rehandling charges and restocking cost, is refunded or credited to a customer. (Revenue & Taxation Code section 30131.2(c).)

Note: A licensed California distributor may also be the *original importer of tobacco products* manufactured outside of the U.S. If you are the original importer of tobacco products manufactured outside of the U.S., you must include any distributions on line 1. If you purchase tobacco products manufactured outside the U.S. *from an original importer*, you must *include the cost of the imported tobacco products* on line 1 and **pay** the **tax** based on your distribution of the imported products.

Line 2. Interstate or Foreign Commerce. Enter the wholesale cost, as defined, of those tobacco products reported on line 1 that were distributed to purchasers in other states, territories or foreign countries by delivery outside California and not returned to this state before use.

Line 3. Interstate or Foreign Passenger Common Carrier. Enter the wholesale cost, as defined, of those tobacco products reported on line 1 that were distributed to a common carrier engaged in interstate or foreign passenger service or to a person authorized to sell tobacco products on the facilities of such carriers.

Line 4. Other Exemptions. Enter the wholesale cost, as defined, of only those tobacco products reported on line 1 that are exempt from tax, such as: (1) tobacco products manufactured outside the U.S., which were originally imported by you and sold to **licensed** California tobacco product distributor(s) (see below); (2) tobacco products sold to the U.S. Army, Air force, Navy, Marine Corps, or Coast Guard exchanges and commissaries, and Navy or Coast Guard ships stores; (3) tobacco products under internal revenue bond or customs control; or (4) tobacco products sold or transferred to a law enforcement agency for use in a criminal investigation.

Original Importers Exempt Tobacco Distributions - Schedule E. If you are an original importer of tobacco products with distributions to California **licensed** distributors during this reporting period included on line 1, complete Schedule E on the back of your return to explain and itemize each of your exempt distributions claimed on line 4.

Caution: If you are an original importer of tobacco products with distributions to **unlicensed** distributors in California, or retailers of tobacco products, included on line 1, you may not claim these transactions as exempt distributions on line 4 of your return. (Revenue & Taxation Code section 30105)

Line 5. Credit on Returned Tobacco Products Were Tax Was Reported in a Prior Month. Enter the wholesale cost, as defined, of those tobacco products that were returned by the customer during the period covered by this return but that were reported on line 1 for a different month than covered by this return. Credit of the entire amount shall be deemed to be given when the entire purchase price, less rehandling and restocking costs, is credited to the customer. (Revenue & Taxation Code section 30176.2). If the credit exceeds the liability on line 12, the balance will be refunded.

Lines 10 and 11. Payment after the Due Date. If you are paying the tax after the due date shown on the front of this return, additional amounts are due for penalty and interest charges. The penalty is 10% (.10) of the amount of tax owing. The interest rate for late payment is noted on line 11 on the front of this form and applies for each month or portion of a month after the due date.

Line 12. Amount Due. Enter the total amount due and payable including penalty and interest, if applicable.

IF YOU WISH ADDITIONAL INFORMATION, PLEASE CONTACT THE STATE BOARD OF EQUALIZATION,
EXCISE TAXES AND FEES DIVISION, EXCISE TAXES SECTION, 450 N STREET, P.O. BOX 942879, SACRAMENTO, CA 94279-0056,
TELEPHONE 800-400-7115.